



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** John Stufflebean  
Jennifer A. Maguire

**SUBJECT: ELIMINATE THE PROPOSED  
LANDFILL – ALL OTHER NON-  
RECYCLED WASTE FEE FROM  
THE 2008-2009 PROPOSED  
OPERATING BUDGET**

**DATE:** May 23, 2008

Approved

Date

5/23/08

## **RECOMMENDATION**

1. Delete the proposed fee entitled "Landfill – All Other Non-Recycled Waste" from the 2008-2009 Proposed Fees and Charges Report.
2. Direct the City Attorney to continue to evaluate this fee.
3. Reduce the 2008-2009 Revenue Estimate for AB939 Fees in the Integrated Waste Management Fund by \$1,000,000.
4. Reduce the 2008-2009 Unrestricted Ending Fund Balance in the Integrated Waste Management Fund by \$1,000,000.

## **BACKGROUND**

The Proposed 2008-2009 Operating Budget includes instituting a fee on waste that is accepted by landfills in San Jose and; that is not recycled and removed from the site; and that is not subject to the current Landfill Waste Disposal Fee of \$3.55 per ton. The proposed fee, entitled "Landfill – All Other Non-Recycled Waste," was estimated to generate \$1 million in revenue to the Integrated Waste Management Fund (Fund 423) in 2008-2009.

## **ANALYSIS**

More time is required for Staff to work with the Attorney's Office to evaluate the feasibility of imposing the proposed fee. In addition, the outcome of current legislative and regulatory initiatives at the state level could clarify the City's fee authority. Staff is actively participating in the statewide efforts.

Not implementing this fee for the entire 2008-2009 fiscal year will reduce the proposed Integrated Waste Management Fund revenue by \$1 million. To offset this loss in revenue, a

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**Subject: Eliminate the Proposed Landfill-All Other Recycled Waste Fee from the 2008-2009 Proposed Operating Budget**

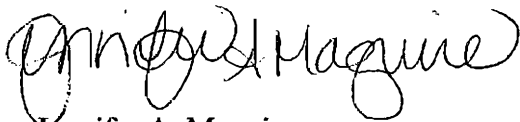
Page 2

\$1.0 million reduction to the Unrestricted Ending Fund Balance in the Integrated Waste Management Fund is proposed, reducing the Ending Fund Balance from \$6.3 million to \$5.3 million. However, it is anticipated that savings in the Recycle Plus contracts in 2007-2008 will be available to replenish the Ending Fund Balance after the close of the 2007-2008 fiscal year. These savings will be recognized as part of the 2007-2008 Annual Report.

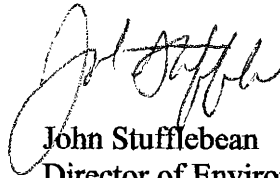
The Environmental Services Department plans to recommend this fee again during the 2008-2009 year if and when the outstanding issues are resolved.

### **COORDINATION**

This MBA has been coordinated with the City Attorney's Office.



Jennifer A. Maguire  
Acting Budget Director



John Stufflebean  
Director of Environmental Services